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Honorable Cormac J. Carney
United States District Judge
Central District of California
Ronald Reagan Federal Building and US Courthouse
411 West Fourth Street
Courtroom 9B
Santa Ana, CA 92701-4516

Dear Judge Carney,

Thank you for taking time to consider this personal statement.

I am very sorry for embezzling money from my former employer, KBS Realty Advisors. For several years, I approved invoices for fictitious services from companies controlled by people I knew. KBS trusted me as their internal auditor and I abused my position for personal gain. I have no excuse for my criminal conduct. To my victims at KBS, I apologize for my reprehensible behavior.

I am thankful for this orderly legal process to reckon with the financial and emotional injuries I caused. I violated federal law and failed my family for the most selfish reasons. I take full responsibility for my actions and will accept the consequences with a contrite heart.

I hope my punishment gives some measure of justice and closure to my colleagues at KBS. It breaks my heart to know how badly I betrayed their trust. They treated me with the utmost kindness then I took advantage of my inside knowledge. I know I am at the beginning of a long journey of atonement for my crimes. I will devote myself to paying my full restitution as directed by this Honorable Court.

My criminal activity also harmed my family who depended on me to follow the law. I risked their wellbeing when I knowingly stole money from KBS. Facing a sentence hearing, I feel utterly humiliated that I hurt so many people I care about. I will spend the rest of my life working to become worthy of forgiveness.

I have spent many months examining the exact nature of my destructive, illegal actions. I have sought spiritual guidance and mental health counseling to understand how I got so far off track in this case. To provide more information to this court, I prepared this letter to share my family background, personal insights, and further reflections on my criminal conduct.

Early Life

In December of 1981, I was born in a hospital in Ludhiana, the largest city in the Indian state of Punjab. My family lived in the small town of Kartarpur, which had a population of about 25,000. My father worked in his family's rice production and distribution business. My mother's side of the family lived in Ludhiana and also operated a successful business.

My younger brother and I spent our childhood in Kartarpur, where my father's family had lived for generations. We lived in a safe neighborhood where we knew everyone. My mother had a bachelor's degree and encouraged me to study hard at St. Joseph's Convent School.

I spent a lot of time with my paternal grandfather who lived with us. He passed down his traditions and I still feel a strong connection to my Hindu faith. Our neighbors loved my grandfather for founding the local school and insisting that girls be taught just like boys. For families with limited resources, my grandfather donated money to pay for education and weddings. My grandfather walked to work every day until he passed away at age 87. I remember many people I'd never met expressing love and gratitude after he died.

Then, in 1989, due to civil unrest between Hindus and Sikhs, opposition militia attacked our employees and kidnapped my father for money. After my father was released, we fled to California since he feared for our safety. I moved in with my uncle in Irvine and stayed there to attend an excellent public school.

My brilliant uncle inspired me with his work ethic and impressive achievements. He excelled as an aeronautical engineer at Boeing and once met the Prime Minister of India. I lived with him for about two years before moving back in with my parents.

At first, my father worked various jobs at Carl's Jr., Toshiba, Circle K, and 7-11. My mother got a job at Target and stayed there until she retired twenty-five years later. We struggled with financial insecurity and debt as my father suffered setbacks. For example, in 2000, my father lost everything after a business he bought failed. My parents made it clear that, as the eldest, I would be ultimately responsible for supporting my family financially and paying off their debts. Looking back, I see how that pressure influenced my unhealthy relationship with money.

At University High School, I earned average grades and participated in service organizations like Key Club and Habitat for Humanity. I went to work at age 15 to help support my family. I worked for two summers at Palace Park, an amusement park with go-carts and an arcade. I also interned as an office assistant at Tax & Financial Group in Newport Beach.

Your Honor, my family raised me to do my duty, be generous, and treat other people with respect. My grandfather inspired me with his loving heart and gentle spirit. All the adults in my life encouraged me to work hard in order to achieve my goals. I used terrible

judgment and have no justification for my bad choices. I hope my punishment serves as a warning and helps other people make better decisions than I did in this case.

Higher Education and Early Career

After graduating from high school in 2000, I enrolled at Irvine Valley College and Orange Coast College. I buckled down on academics, earned a 4.0 GPA, then transferred to University of Southern California (USC) for my sophomore year. I started in the undergraduate program at the Marshall School of Business then switched to the Leventhal School of Accounting.

At USC, I achieved academic success while maintaining an active social life with my nerdy accountant friends. I studied hard, gambled in casinos, and had my first drink at age 21. I interned at PricewaterhouseCoopers (PwC) for a summer after my junior year. My managers appreciated my work and offered me a full-time job which I accepted. After graduation, I moved in with my parents to support them financially.

I started at PwC as an associate and passed my CPA exams while working there. Mostly, PwC dispatched me to work in our clients' offices. I spent most days in the clients' conference rooms working over twelve hours. PwC's mantra was "work hard and play hard." So, I went out several times each week to drink heavily with my colleagues.

In 2005, I opened a Scottrade account and started investing over the internet. Then, in 2006, I took a new job as senior internal auditor at Conexant Systems, an American-based semiconductor company. I audited offices in Europe, Asia, and the United States, plus I travelled to Hyderabad, India, to help management implement internal controls, policies, and procedures.

In 2008, a recruiter called me about an internal auditing position at KBS, an elite commercial real estate company. I interviewed with the CFO who hired me on the spot. After I started my job at KBS, I continued to consult at Conexant Systems in the evenings to earn extra income.

Throughout my working life, I paid off my student debt, my parents' personal debt, and covered my brother's expenses at USC. I sent money to extended family members in India for medical treatments, funerals, and weddings. I also supported my cousins when they arrived in America to study. Over the years, I provided assistance to countless family members, just like my grandfather had done in Kartarpur. I see now that I lacked prudent boundaries and imposed undue pressure on myself to maximize my earnings.

Many days, I worked from early in the morning until after midnight. I completed my work tasks while using my smartphone to trade stocks on my Scottrade account. I checked stock prices around the clock no matter what I was doing. I remember many Las Vegas trips during which I monitored stock prices while drinking and placing bets on the casino floor.

In 2010, I got engaged to my wife Ruby in India. We applied for her fiancée visa and she moved to America. Soon after, Ruby and I went to a California courthouse for a civil marriage. (Ruby has since worked for multiple pharmaceutical companies as a quality control scientist.)

Your Honor, the United States offered me excellent opportunities for education, work, and investment. My financial success allowed me to start a family and support my parents who worked in grueling jobs for years. It is devastating to admit that I stole money to fund my day trading and gambling addiction. I risked my freedom and my family's wellbeing when I committed these crimes. I am very sorry for breaking the law and causing harm to my victims at KBS.

Offense Conduct

At KBS, I relished the hard work and excitement of such high-level real estate projects. I eventually became the Chief Audit Officer and oversaw multiple departments like internal audit, compliance, and information technology. Unfortunately, I abused my position for personal financial gain.

Over the course of several years, I accepted unethical referral fees from multiple vendors who performed legitimate services. Additionally, a vendor and I developed software programs utilized by KBS, then we split the proceeds. Also, I approved invoices for fictitious services from companies controlled by people I knew.

After I approved the invoices, management reviewed and approved the invoices, both fictitious and legitimate. The accounting department paid the invoices by allocating most or all of the cost to the real estate investment trusts (REITs). Once the outside vendors received payment, they gave me my share of the proceeds. Although, I reported all proceeds to the IRS and paid taxes on that income throughout this period, I am ashamed to admit my moral failures at KBS.

I continued day trading obsessively while perpetrating these criminal acts. I fixated on internet day trading like a video game. I lost huge sums of money on risky investments that collapsed. My conscience weighed heavily upon me and I experienced daily panic attacks. Somedays, the anxiety hit me like a wall of water. I felt sick to my stomach knowing how my actions hurt people who counted on me.

This illegal activity lasted until January of 2022. I quit KBS on February 8th. The following day, I spoke with the Chief Financial Officer over the phone to discuss a transition plan. Towards the end of the call, he asked why I had approved the fraudulent invoices. I choked, panicked, and denied the truth. Shortly thereafter, I reached out repeatedly to KBS to accept responsibility and negotiate a settlement. Federal agents arrested me nine months later.

Your Honor, I am sick with shame about my criminal acts in this case. I exploited the trust and affection of my colleagues and destroyed my reputation. By stealing from the

individual REITs and KBS, I harmed them for personal gain. No one—not KBS or the REITs—deserved to lose money because of my selfish actions. I look forward to making amends and paying my full restitution as both a legal and moral obligation.

Family, Work, and Recovery

On March 16, 2014, Ruby and I welcomed our son, Jay, followed by Shaan on May 3, 2018. Doctors diagnosed Jay with autism-related symptoms, so we found specialists to provide early intervention therapy. Jay still relies on my wife and me for help with certain activities and behaviors, especially in social situations. I also function as a caregiver for my uncle (who I lived with in Irvine) and my parents (who live with me now). My uncle has Parkinson's Disease; my mother has scoliosis-related mobility issues; my father lives with pulmonary sarcoidosis and has been disabled with a knee injury since 2013.

In 2022, Ducommun, an aerospace and defense engineering company, hired me as their Director of Internal Audit. I reported to the chair of the audit committee and worked there until my arrest. One month later, I started working as a Sales Associate at Home Depot in Lake Forest where I've won four performance awards. Since January of 2023, I have set aside at least two hundred dollars from each monthly paycheck to save up for my restitution. In addition, I have been fully cooperating with the DOJ, FBI, and SEC.

Since my case began, I obtained a business coaching certificate from The Brian Hamilton Foundation Starter U: How to Start and Grow a Business. Through the accredited Transformation Academy, I earned six life coaching certificates in specialties like entrepreneurship, business, goal-setting, and happiness. I have already coached fifteen clients and look forward to continuing this work in the years ahead. To support these efforts, I created a website (YourGuidedJourney.com) where I post topics related to life and business coaching. Also, I plan to obtain the California Peer Support Certification which will allow me to help people who struggle with addiction, mental health, and trauma.

Over the past four years, I have volunteered over 1300 hours at the Mandir in Irvine, a Hindu cultural and spiritual center. My duties included vendor relations, fundraising, routine facility maintenance, and helping with worship services and events.

Since my arrest, I have spent many hours reflecting on my personal habits and mental health with help from two therapists. For too long, I struggled to manage my gambling addiction and alcohol abuse. I risked large amounts of money day trading and playing baccarat in casinos. Sometimes I sat at the table and gambled for twelve hours at a time.

Simultaneously, I drank heavily and often. I drank hard liquor to cope with my feelings of shame about keeping so many awful secrets from the people I love most. Looking back, I acknowledge my long history of heavy binge drinking. Before my marriage, I often drank myself into blackouts during multi-day benders. I understand that I cannot drink or gamble safely ever again.

In July of 2023, I spoke with a member of Alcoholics Anonymous (AA) who described how the Twelve Steps helped him achieve meaningful long-term sobriety. Since that conversation, I have regularly attended Gamblers Anonymous (GA) and AA meetings. I am actively involved in both programs, and I have led meetings and been the speaker many times.

With my sponsor, I am working through the Twelve Steps to reckon with my past and learn new attitudes for a better future. In addition, I completed a sixteen-session problem gambling treatment program with Suzanne Koch Eckenrode, a California-certified gambling counselor. I am overjoyed to report that I have not placed a bet in over fifteen months nor drank in over two years. I know I owe my family a future of sobriety and wise decision-making.

Your Honor, my conscience plagued me with sleeplessness and panic attacks since 2015. After I left KBS, I went on a pilgrimage to holy sites in North India. I asked God and my ancestors for forgiveness for the sins I committed. I also asked for guidance from the leader of my religious denomination. The Swami told me that the truth always comes out, which it has. He advised me to use this period of difficulty as an opportunity for personal and spiritual growth. I know I am just starting on the path to reconciliation.

Conclusion

My family has suffered immensely because of my criminal conduct. When the news media covered my case, my wife and parents were shattered, angry, and extremely disappointed in me. My brother stopped speaking to me and everyone else in my household. I no longer attend my sons' school or sporting events to shield them from my shame. It will take many years for my family to reconnect with our friends and extended family members. I wish I had thought about these consequences before I broke the law.

Preparing this letter allowed me to think about this case in the context of my whole life. After so many years of darkness and desperation, I want this period of reckoning to end with healing and peace. I want my children to see how I accepted responsibility with honor and rigorous honesty. Also, I want to help others recover from gambling addiction and alcoholism and build new lives.

Recently, I volunteered with Prison Professors Charitable Corporation to develop coursework for currently incarcerated individuals. I recorded a course on the real estate industry that is now part of their program that reaches 100,000 inmates. In my class, I spoke about multiple job opportunities and specific job skills needed for a career in real estate.

Prison Professors gave me a chance to combine my coaching skills, professional knowledge, and personal story. I have learned many hard lessons over the past for years and look forward to using my newfound wisdom to help others in the future. I hope my class helps justice-impacted people find satisfying, productive work upon their release.

Your Honor, I should have used better judgment and I am deeply sorry for my criminal conduct. I have no excuse for embezzling money from KBS Realty Advisors. I will use the years ahead to atone for my actions, pay my restitution, and serve my community.

Thank you for considering all that I've offered through this narrative. As you prepare to sentence me, please have mercy on me.

With respect,

Varun Aggarwal